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ADJUSTMENTS OF WAGES AND CONDITIONS OF EMPLOYMENT

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I ASSUME that the purpose of this conference is the same as that of many conferences now being held, namely, to see if any of our experiences during the war will be of service to us in peace times, and whether any of the administrative machinery that was established to carry on the war would be of benefit to perpetuate after the war is over.

Relating to the situation as it existed in regard to labor adjustments just prior to our going into the war, as you know, the Council of National Defense was established a few months before our entry into the war, and shortly after that the advisory commission of the Council of National Defense. On this advisory commission Mr. Gompers was appointed as the representative of labor to deal with labor matters. In his usual farsighted way he called a meeting at the office of the American Federation of Labor to form a labor committee to act as advisors and assistants to him in the situation. He had some one hundred and fifty people at that meeting, large employers of labor, organizations of employers frequently formed to fight trade unions, and in addition some fifty or sixty or seventy leading labor leaders of the country.

As a result of that meeting an executive committee was appointed on which were representatives of employers organizations and labor organizations, and a certain number of men representing the public and having no direct connections. One of the first acts of that special committee was the drafting of certain general principles. These principles were submitted to the Council of National Defense, and were issued by them as guiding principles in relation to labor and labor conditions to govern the country during the time of the war.

The two important principles then announced were, first, that the conditions of labor, conditions of employment and standards of living should not be reduced unless the nation

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was forced to such an extreme measure; that so far as possible without interfering with the conduct of the war we should maintain all of our previous standards of living. Second, that the conditions that labor had been able to establish in regard to closed shops and open shops, were to remain during the war. In other words, that neither labor nor capital was to take advantage of the situation created by the war to change the conditions as they then existed.

These two principles have been of the greatest assistance to the various boards established to adjust wage matters and industrial relations.

At the beginning many people did not realize the importance of these labor questions and the necessity for providing for their proper adjustment. As I was saying the other day at a meeting—and I will repeat it here simply to show the situation—we had not been in the war more than two months before a great many small difficulties arose, and the Department of Labor was pushed to the utmost to find a sufficient number of conciliators. The appropriation for conciliators therefore ran out before the end of the fiscal year on July 1. Certain members of Mr. Gompers' labor committee appeared before the committee in Congress having charge of deficiency appropriations, and asked for a supplementary appropriation to enable the Labor Department to continue the same number of conciliators that they then had as otherwise some of the conciliators would have to be dismissed. I happened to be a member of that committee, and we saw the chairman of the committee in the Senate. We told him of the necessity of the additional appropriation, and tried to lay emphasis on the importance of providing for proper adjustments and conciliation of these questions. He gave us about two minutes and ended up by saying that if he listened to all the fool propositions brought before the committee the bill would amount to several billions rather than several hundred millions as it was, and that the matter of labor disputes and settlements was purely a private matter in which the government had no interest whatever at that time. We tried to show him that if strikes resulted in interruption of production it was a very serious war question and one in which the government was vitally interested, but we were unable to convince him. I think that was somewhat

the attitude of many people at that time. They were however forced to change this attitude within a month or so as the situation became so threatening that various labor adjustment boards began to be formed. Unfortunately they were formed only as the necessity for some particular board arose to treat some special crisis in industry. They were therefore formed in a hurry and under pressure. They were formed without any relation to each other, and they were formed on very different principles. The first boards were formed through negotiations between the government and the American Federation of Labor, Mr. Gompers taking an important part in the development of these boards. But, as I say, the earlier boards were formed under pressure and without any distinct program for their guidance. The result was that it was very difficult through the first year for the boards to co-ordinate their work and to prevent more or less of a conflict in their decisions, because they were compelled, owing to the character of their formation, to decide the questions at issue in accordance with the principles upon which they were established, and where these principles varied you of necessity got more or less varying conditions. If the war had continued a short time longer many of these difficulties would have been overcome, and we would have had a more constant and consistent policy. The various boards during September had conferred together and had agreed upon certain general principles which had received the approval of the Secretary of Labor. These principles would have developed a national labor policy. But, by the time this was arrived at the war was over; consequently there never actually developed a definite administration policy in regard to these matters. Each board was left to its own way of establishing its own policy. It was an important factor in which I think we should take great pride, that these boards were all the result of voluntary negotiations and voluntary agreements. Unlike some of the European countries we did not require any legislative action, any compulsion to bring the employers or the labor organizations into these agreements. They willingly came in and did all they could to make these agreements effective, with the result that for the year and a half we were in the war there were practically no strikes of any importance, of any national magni-

tude. Of course where so many people were involved here and their minor disturbances would arise; but they lasted for only a short time, and I think the record of this country for the year and a half was fully as good in maintaining peace and uninterrupted production as that of any foreign country during the first year and a half that they were in the war. This was all accomplished by voluntary action, without any legislative enactment. I think that is one of the most encouraging features, and one that leads us to the hope that, having tried out some of these voluntary methods during the war, whatever is of value in them may be maintained and perpetuated in peace times, and that they will possibly result in the same uninterrupted production in industry as they have brought about during the war.

One of the boards that has dealt entirely with government interest is the Railroad Wage Adjustment Board. Since the time that board was established the government has been operating the railroads, so that is the one board that has been dealing entirely with government industry. The Shipbuilding Labor Adjustment Board dealt with an industry that was in private hands, and still under private management, but doing solely government work, while some of the other boards had both government work and private employers to deal with, which made their situation more difficult.

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